

Message Text

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ACTION EB-11

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TAGS: BDIS, IT

SUBJECT: TRADE COMPLAINT: AESSE (APPARECCHI & STRUMENTI SCIENTIFICI
ED ELETTRICI), CORSO LODI 47/A, MILAN VS. GELMORE INDUSTRIES
INC., INSTRUMENTATION SYSTEMS, 3355 RICHMOND ROAD, CLEVELAND
OHIO 44122 (TEL. 216/64-1200)

FOR COMMERCE

1. WE RECENTLY VISITED BY COSTANTINO ANZI, PARTNER OF AESSE,
EXCLUSIVE ITALIAN COMMISSION AGENT FOR GILMORE INDUSTRIES
INC, INSTRUMENTATION SYSTEM IN ADDITION, AESSE WAS FOR
MANY YEARS THE EXCLUSIVE ITALIAN AGENT FOR MB ELECTRONICS
OF NEW HAVEN, CONN BEFORE FIRM WAS TAKEN OVER BY GILMORE.
ANZI TOLD US THAT WHILE ITS FIRM RELATIONS WITH MB ELECTRO-
NIC WERE MOST CORDIAL AND EFFICIENT, AESSE HAS EXPPE-
RIENCED DIFFICULTIES WITH CILMORE FROM THE BEGINNING DUE
LARGELY TO LATTER FIRM'S SEEMING INABILITY TO MEET ITS
SHIPPING COMMITMENTS. THIS HAS RESULTED IN LONG DELAYS
AND ON AT LEAST ONE OCCASION IN THE CANCELLATION OF A LARGE
ORDER BY AN ITALIAN FIRM. ON ANOTHER OCCASION GILMORE SUDDENLY
WITHDREW ITS OFFER ON A PROJECT AFTER MAKING WHAT AESSE TOOK
TO BE A DEFINITIVE OFFER,
2. FOR THE DEPARTMENT'S INFORMATION, WE SET FORTH BELOW DETAILS OF
SEVERAL CASES AS REPORTED TO US BY AESSE:

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A. CUSTOMER: MINISTRY OF TRANSPORT, AUTOMOTIVE TEST CENTER,

ROME. VALUE: \$630,000. ITEM: SEAT BELT TESTING SYSTEM, ORIGINAL PROPOSAL MADE BY GILMORE ON OCTOBER 6, 1972. DEFINITIVE OFFER MADE BY GILMORE ON JANUARY 5, 1973. AESSE INFORMED US THAT GILMORE OFFICIALS NEGOTIATED IN ITALY WITH ITALIAN CUSTOMERS IN LATE FALL OF 1973. THEN ON DECEMBER 14, 1973, AESSE RECEIVED WORD FROM GILMORE AS FOLLOWS:

"...THE MATERIAL SPECIFIED IN YOUR INQUIRY IS NOT WITHIN OUR SCOPE OF MANUFACTURE AND, THEREFORE, WE ARE NOT IN POSITION TO MAKE A BID". AESSE UNABLE UNDERSTAND DICHOTOMY BETWEEN "DEFENITIVE OFFER" AD REFUSAL TO BID.

B. CUSTOMER: SECONDO MONA SOMMA LOMBARDA.

ITEMS: 1200 POUND VIBRATION TESTING SYSTEM AND ACCESSORIES. VALUE: \$23,500 ORIGINAL ORDER PLACED MARCH 6, 1973, WITH CONSIGNMENT REQUESTED IN 12 WEEKS. (I.E., END JUNE 1973) ON MAY 16 GILMORE CABLED AESSE EXPLAINING IT HAVING PRODUCTION DIFFICULTIES AND PROMISING T SHIP BY AUGUST 15. ON NOVEMBER 8 GILMORE AGAIN SPOKE OF PRODUCTION DIFFICULTIES AND PROMISED SHIPMENT BY DECEMBER 15. IN APRIL 1974 GILMORE PROMISED SHIPMENT BY END MAY. DESPITE PROTESTS BY SECONDO MONA, GILMORE AGAIN FAILED MEET SHIPMENT PROMISES AND ON JUNE 31 PROMISED SHIPMENT BY JULY 15. ON JULY 8 SECONDO MONA TELEXED REQUESTING INCREASED DISCOUNT AND BETTER CREDIT TERMS TO COVER INCREASED COSTS DUE TO LONG DELIVERY DELAYS. WE UNDERSATND THAT THIS WAS GRANTED, BUT AS OF AUGUT 7 NEITHER AESSE NOR SECONDO MONA HAVE RDCEIVED SHIPMENT DOCUMENTS, ET. AESSE IS AFRAID IT WILL RECEIVE WORLD ANY DAY THAT SECONDO MONA HAS CANCELLED.

C. CUSTOMER: NATIONAL COMMITTEE FOR NUCLEAR ENERGY, ROME.

VALUE: \$9,850. ITEMS: VIBRAMATIC SYSTEM AND AMPLOFIER. ORDER PLACED DECEMBER 22, 1972 WITH DELIVERY WITHIN LIVER BEFORE MID-JUNE. THIS WAS NOT TO BE, HOWEVER, AS ON FEBRUARY 7, 1974 GILMORE CABLED AESSE PROMISING SHIPMENT BY END FEBRUARY. STILL MORE DELAYS AND ON APRIL 22, GILMORE PROMISED SHIPMENT BY WEEK OF APRIL 24. THIS DEADLINE WAS NOT MET AND AS OF DRAFTING DATE THIS CABLE, NO FURTHER WORD RECEIVED FROM GILMORE.

D. CUSTOMER: LOGIC S.A.S., MILAN. VALUE \$9,850. ITEMS: GILMORE UNCLASSIFIED

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MB DIVISION 500 POUND SYSTEM. ORDEER PLACED ON NOVEMBER 23, 1972 WIT CONSEGMENT REQUESTED WITHIN THREE WEEKS OF DATE OF ORDER. ON DECEMBER 12 GLMORE TELEXED AESSE IT UNABLE SHIP FULL ORDER PRIOR FEBRUARY 1973. ON JANUARY 16 GILMORE PROMISED SHIP MARCH 1, ON MARCH 6 IT CABLED IT UNABLE SHIP PRIOR MAY 15 DUE T QUALITY PROBLEMS WITH VIBRAMATIC EQUIPMENT. IN AUGUST 1973, GILMORE INFORMED AESSE THAT THE LOGIC ORDER HAD BEEN CANCELLED.

3. ON JULY 17, 1974 FIAT, INDUSTRIAL VEHICLES GROUP PLACED AN ORDER WITH GILMORE FOR A 1,200 POUND SYSTEM, PRICED AT \$28,250, FOR DELIVERY BY JUNE 1975. FIAT STATED THAT MENTIONED PRICE MUST BE CONSIDERED BLOCKED.

4. AESSE HAD JUST RECEIVED A COPY OF A QUOTATION, BY GILMORE TO THE POST AND TELEGRAPH ADMINISTRATION, ROME DATED JULY 11 FOR 600 POUND SYSTEM AT A PRICE OF \$16,855. THE QUOTATION IS VALID UNTIL OCTOBER 1. EXPECTED SHIPMENT DATE IS STATED TO BE 12 TO 14 MONTHS AFTER DATE CONFIRMED ORDER. AESSE WONDERS WHY SUCH A LONG DELIVERY DELAY ON A SERIES PRODUCTION ITEM. FIR IS ALSO CONCERNED LEST GILMORE TRY TO CHANGE ITS PRICE WHEN SHIPMENT FINALLY MADE.

5. AESSE HAS REQUESTED OUR AID ON THREE FRONTS, NAMELY: 1, CONTACT WITH GILMORE TO ASCERTAIN WHY IT HASN'T HONORED THE SECONDO MONA AND NUCLEAR CENTER ORDERS AND WHEN IT MAY BE EXPECTED TO DO SO; 2, TO PRESSURE GILMORE TO LIVE UP TO ITS FIAT CONTRACT FROM THE BEGINNING, TO ASCERTAIN WHY IT WILL TAKE FROM 12-14 MONTH TO CONSIGN THE POST AND TELEGRAPH ADMINISTRATION ORDER.

6. THE GILMORE EXPORT MANAGER IS RONALD H. STALZERZ

7. FYI: AESSE WAS THE SUBJECT OF A SATISFACTORY WTDR DATED AGUSUT 1973.

WE HAVE THE DISTINCT IMPRESSION THAT GILMORE IS ONE OF THESE ALL TO FREQUENT U.S. FIRMS THAT WORRIES ABOUT ITS AMERICAN MARKET FIRST AND MAKES ITS FOREIGN CLIENTS WAIT. DR. ANZI OF AESSE IS RAPIDLY COMING TO

THE CONCLUSION THAT HE CAN NO LONGER REPRESENT A FIRM WHICH SO CONSTAN-

TLY HUMILIATE HIM IN FRONT OF HIS CLIENTS BY RENEGGING ON ITS PROMISES.

HE ALREADY HAS THE NAME OF ANOTHER AMERICAN COMPANY IN THE SECTOR WHICH
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IS NOT YET REPRESENTED IN ITALY AND WHICH HE IS CONSIDERING CONTACTING

FOR A POSSIBLE REPRESENTATION AGREEMENT. AND YET, GILMORE HAS A VERY GOOD PRODUCT AND HE WOULD LIKE TO REMAIN THEIR AGENT, PROVIDED HE CAN GET SOME ASSURANCE OF A CHANGE IN THE COMPANY'S EXPORT POLICY WHEREBY THEY WOULD BEGIN TO LIVE UP TO THEIR FOREIGN OBLIGATIONS.

WE WOULD APPRECIATE RECEIVING AN INFORMAL ASSESSMENT ON THIS MATTER WHICH
WE CAN PASS ON TO DOTT. ANZI OF AESSE.

AS THE DEPARTMENT OF COMMERCE WILL HAVE NOTED, THE TOTAL DOLLAR AMOUNTS ARE NOT NEGLIGIBLE (\$718,555). FINA

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